



POSTAL SERVICE

39 CFR Part 111

Advance Notice of Implementation of Full-Service Intelligent Mail Required For Automation Prices

AGENCY: Postal Service

ACTION: Advance notice of proposed rulemaking; request for comments.

SUMMARY: The Postal Service is planning to move to the Full-Service Intelligent Mail[®] option to access automation prices for letters, postcards and flats, effective January 2014. The “Full-Service” Intelligent Mail program requires use of unique Intelligent Mail barcodes (IMb[™]) applied to letter, postcard and flat mailpieces, trays, sacks, and containers, such as pallets, and submission of electronic mailing documentation. This plan includes the transition to the use of eDocumentation, along with additional information to support the By/For relationships, and replacement of the 10/24 transition tray label with the full use of the 24-digit tray label Intelligent Mail barcode format.

This *Federal Register* document provides advance information to help mailers prepare and plan for the transition to Full-Service and asks for information about the possible challenges mailers perceive to moving to Full-Service, the operational changes they will have to make, the costs and benefits of those changes, and steps the Postal Service could take to assist mailers in moving to Full-Service. The USPS[™] looks forward to mailer feedback on all aspects of this plan. In addition, the USPS strongly encourages current Full-

Service users to provide feedback about the benefits and value-added they have experienced by converting to Full-Service.

DATES: Comments on this advance notice of proposed rulemaking are due [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION].

ADDRESSES: Mail or deliver written comments to the Manager, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington DC 20260-5015. Comments and questions can also be emailed to mailingstandards@usps.gov using the subject line "Full-Service January 2014."

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

Background

In January 2009, USPS offered the mailing industry two Intelligent Mail barcode (IMb™) options for automation discounts. The options included the "Full-Service" option, requiring unique IMbs, and the "basic" IMb option, which does not require unique barcodes. Currently, a large number of mailers are using the Full-Service and basic IMb options and enjoy the additional benefits and value of using these options.

As part of the transformation of data visibility and continued evolution of technological innovations, the Postal Service is planning to move to the Full-Service Intelligent Mail option to qualify for any automation letter, postcard, and

flat prices, effective January 2014. Full-Service Intelligent Mail combines use of unique scan codes with the provision of electronic information on mail makeup and preparation to enable a variety of high-value services and efficient mail processing, and to establish a stronger partnership between mailers and the Postal Service. The vision is to create 100 percent visibility into the mail stream by 2014. This vision means that customers will know in real time where their mail or packages are in the postal network and precisely when they are delivered. Use of the IMb, especially Full-Service, allows the mailing industry to use information and technology to build value in the mail.

Even though the use of basic IMb is a good first step to create visibility in the mail stream, it does not require unique barcodes. Uniqueness of the IMb barcode provides customized information which is a major benefit to customers who can then use this information to create successful marketing campaigns. Thus, the movement to Full-Service is fundamental to the 100% visibility strategy and a major step into the future of the technology evolution.

The plan is that effective with the proposed starting date of January 2014 only Full-Service mail pieces would be eligible for automation pricing. Also, as published in a separate *Federal Register* proposed rule, letters and flats with POSTNET™ barcodes would no longer be eligible for automation prices as of January 2013 (See <http://www.gpo.gov/fdsys/pkg/FR-2012-03-02/html/2012-5050.htm>).

There are secondary benefits to using Full-Service. Barcode uniqueness also enables preciseness of measurement of the amount of time between

operations in the postal system and opens the door to the next level of achievement in processing efficiency and service performance. Full-Service Intelligent Mail offers a sound foundation for continued improvements in providing robust service for commercial mailers.

Full-Service Intelligent Mail offers a number of advantages to mailers and the Postal Service. These advantages are tied directly to the Full-Service requirements. For mailers, these advantages include:

- Unique barcodes enable the Postal Service to provide mailers with comprehensive information on the status of mailings as they progress through the postal system.
- “Nesting” information provided by the mailer enables the tracking of the individual pieces and trays based on scans performed on larger containers.
- Visibility allows mailers to more effectively respond to customer inquiries on the status of valuable bills, statements, catalogs, and publications.
- Full service mailings receive access to free address change information and tracking information from mail entry to final destination.
- Waiver of annual mailing fee for permits where all postage statements contain 90% or more Full-Service pieces.
- eDocumentation combined with Full Service unique barcodes will provide access to Seamless Acceptance and eInduction. Both will be paperless processes:

- Seamless acceptance will be an automated verification process based on comparing electronic documentation with scans of Intelligent Mail barcodes collected in postal operations and through the use of handheld scanning technology at points of induction. Data captured through scanning will be compared to mailer submitted electronic documentation and reports of overall mail quality will be trended over a period of time. Participation in seamless acceptance will allow mailers additional production cycle time prior to entering their mailings.
- eInduction will leverage scanning technologies to simplify the induction process for mailer transported mailings. eInduction will allow containers with IM container barcodes and appropriate electronic documentation to be offloaded and inducted straight into postal operations without the use of hard copy PS Forms 8125 or 8017.
- Full-Service also provides the “Mail Anywhere” model which allows for the use of a single permit at any *Posta!One!* site for mailings containing 90% or more Full-Service pieces (applies to First-Class, Standard, and Bound Printed Matter).

Many mailers find the visibility information provided by Full-Service mail useful in planning their own operations, in assessing the success of advertising campaigns, and in improving their own customer interaction. Knowledge of where a mailpiece is located in the postal network and when that piece should be delivered can prove useful in communicating with customers.

Advantages for the Postal Service include:

- Visibility into the flow of mail through the postal network, enabling enhanced diagnostics of service performance.
- Scan information on containers, trays and pieces allow us to measure the number of hours and minutes between operations. This data has been used to identify operational bottlenecks and that has enabled us to significantly improve service for commercial First-Class Mail, Standard Mail, and Periodicals.
- The ability to provide real-time alerts to operations enabling them to respond and avoid possible service failures.
- Advance notification of volumes and makeup of commercial mail, enabling improved resource planning.
- Accurate tracking of mail volumes as they move through the postal network, again enabling improved management of operations and resource planning.
- Simplified mail acceptance processes.
- The ability to measure service performance for each Full-Service mailer.

Mailer use of Full-Service Intelligent Mail is a key part of the Postal Service's ongoing strategy for providing cost-effective and service-responsive mailing services. Efficient use of postal resources can be achieved with advance information on content and makeup of the mail that is flowing through the postal network. Postal sorting equipment captures volume and destination information on mail as it is sorted. The Postal Service has built and is refining systems that make information available to downstream facilities and operations so that it can

be used for operational planning. This planning data offers significant opportunities for improved efficiency and service performance. However, these benefits cannot be fully captured when a significant proportion of mail (that prepared and entered by large-volume commercial mailers and mail preparers) does not provide similar information. The information on the content and makeup of mail that is provided by mailers who participate in Full-Service Intelligent Mail meets this information need.

Full-Service Intelligent Mail also enables simplification of current mail acceptance procedures. Under seamless acceptance, which is possible only with the data and unique identifiers of Full-Service mailings (pieces nesting in trays and trays inside containers), business mail acceptance procedures will be scaled down, with automation mailings verified during mail processing operations.

The Postal Service has worked closely with mailers, software providers, and mail service providers to simplify, refine and evolve our Full-Service offerings over the past four years since Full-Service requirements were introduced. Thousands of mailers, software providers and mail service providers have demonstrated their ability to meet the requirements for Full-Service Intelligent Mail. The Postal Service continues to develop new tools, and to enhance and simplify existing tools, to make it easier for mailers to prepare and submit Full-Service mailings.

In support of the POSTNET discontinuation and Full-Service requirement, and to assist mailers transitioning to the Intelligent Mail barcode, the USPS is announcing two online self-service tools: The Automated Business Reply Mail

(ABRM) tool and the Intelligent Mail Small Business (IMsb) tool. These tools allow mailers to print an Intelligent Mail barcode on reply mailpieces and outgoing mailings, respectively.

The Postal Service recognizes that there are costs to converting to Full-Service Intelligent Mail. To help the industry offset those costs, we are investigating further increasing the incentive for Full-Service mail users.

We are interested in gaining insight into the challenges mailers perceive in their ability to move to full participation in the IMb Full-Service offering, including the anticipated cost or, for those already using this offering the actual cost, of doing so and information on steps the Postal Service could take to assist mailers in moving to full participation. We are also interested in the perceived benefits, and for those already using this offering the actual benefits, to mailers from moving to full participation in the IMb Full-Service offering. Mailer input about the changes needed to make to move to Full Service and the costs of those changes is extremely important information to support the plan to move to the Full-Service requirement for automation discounts. We are looking for responses from both current Full Service users and non-users. Mailer responses to this advance notice of proposed rulemaking should address the following topics so that the Postal Service can develop appropriate plans and responses to these concerns:

- Your role in the mailing industry (mail owner, mail preparer, software vendor, hardware vendor, or other).
- Your business's use of the mail, including approximate annual volume of mail by class (First-Class Mail[®], Standard Mail[®], Periodicals) and shape

(cards, letters, flats) of mail and the frequency of your mailings (daily, weekly, monthly, quarterly, or annually).

- The value your business has gained from the use of Full-Service.
- Your recommendations for others to convert.
- Your lessons learned and ideas to enhance the transition processes.
- How your mailing patterns have changed based on the value added with Full-Service.
- If not participating in Full-Service, the changes you will be required to make to move from your current mailing practices to the use of IMb Full-Service. Include upgrades to software, hardware, changes to mail preparation procedures, and submission of edocumentation.
- The estimated one-time investment cost and any ongoing costs of changes to mail preparation and printing.
- Value of increased visibility, access to free or lower fees for address change information, and elimination of permit fees.
- Value of simplified acceptance procedures.
- Value of ability to use a single permit at multiple mailing locations.
- Any mail volume patterns that you foresee as you convert.
- Other specific areas of concern or challenges.

Requirements for Full-Service Intelligent Mail

Intelligent Mail Barcodes:

- *Mailpiece barcode.* The 65-bar Intelligent Mail barcode (IMb) accommodates 31-digits of data on letter and flat mailpieces. The IMb contains additional fields that encode ancillary services, identify the mailer and the class of mail, and allow unique numbering/serialization of the mailpiece. The USPS will issue a unique Mailer ID to each full-service IMb mailer, which must be included in the Intelligent Mail barcode. Mailers are required to uniquely number each mailpiece in a mailing, and not reuse numbers for a period of 45 days from the date of induction.
- *Tray barcode.* An Intelligent Mail tray barcode (IMtb) is required on letter trays, flat trays and sacks. Unlike today's 10-digit tray barcode that contains only routing information, the 24-digit Intelligent Mail tray barcode includes additional fields to identify the mailer and uniquely number each tray or sack. Mailers must include their USPS-assigned Mailer ID in the Intelligent Mail tray barcode. Mailers are required to uniquely number each tray or sack in a mailing, and not reuse each number for a period of 45 days from the date of induction. Pieces inside each tray must be linked or nested to the IMb tray barcode.
- *Container barcode.* An Intelligent Mail container barcode (IMcb) is required on all containers used to transport mail such as pallets, all purpose containers (APCs), rolling stock, and gaylords. This 21-digit IMcb includes fields to identify the mailer and uniquely number each container.

Mailers must include their USPS-assigned Mailer ID in the IMcb. Mailers are required to uniquely number each container in a mailing, and not reuse each number for a period of 45 days from the date of induction. Trays inside the container must be linked or nested to the IMb container barcode.

Electronic Documentation and Appointment Scheduling

Full-Service mailings must be accompanied by electronic documentation in addition to or instead of the printed postage statement and presort documentation currently required to mail at automation rates. Mailers typically furnish hard copy postage statements and documentation, or supply a computer terminal at their site for USPS acceptance personnel to view their documentation. Many mailers have transitioned to electronic submission of their postage statements and mailing documentation to the Postal Service's *PostalOne!*® system using Mail.dat®, Mail.XML, or Postal Wizard.

Full-Service IMb mailers are required to use one of these three methods to send their electronic mailing information to the *PostalOne!* system. The *PostalOne!* system translates the customer-generated electronic information into postage statements and supporting documentation, such as qualification and container reports, that are used for verification, acceptance, and induction processes. By submitting documents electronically, mailers avoid the creation of paper-based forms, use this technology to manage their mailing data, and enable the Postal Service to capture its own efficiencies.

Mailer electronic documentation for Full-Service mailings contains information about Intelligent Mail barcodes applied to mailpieces, trays or sacks, and containers. Also, it identifies the unique Intelligent Mail barcodes applied to each mailpiece, tray or sack, and container; it describes how mailpieces are linked to handling units, such as trays and sacks, and how mailpieces and handling units are linked to containers. In addition, documentation provides linkage among containers, trays and sacks when mail is co-palletized, combined or comingled (in-house or at a different plant). The electronic documentation identifies spoilage or shortage of pieces in a mailing. Additionally it identifies the preparer of the mailing and the mailer for whom the mailing is prepared (i.e., Mail Owner). Mail Owner identification is required for all Full-Service pieces in the mailing. Mailers that otherwise meet the full-service standards and use Postal Wizard for mailings that do not require additional documentation to support presort (mailings of fewer than 10,000 pieces with postage affixed to each piece at the correct price or if all pieces are of identical weight, the pieces are separated by price, or mailings all at an MAADC or MADDC price) are not required to submit this additional documentation.

Appointments play a critical role with service performance measurement, processing and delivery of mail. At the USPS facilities that support FAST[®] (Facility Access and Shipment Tracking), mailers will be required to schedule appointments using the FAST system for drop-ship mailings and for all origin-entered mail verified at a detached mail unit (DMU) and transported by the mailer. Mailers may schedule appointments online using the FAST web site or

they may submit appointment requests through *PostalOne!* FAST Web Services using the Mail.XML specification. For improved service performance measurement, visibility, and operational planning, USPS recommends that mailers link their Intelligent Mail container barcodes (IMcb) to their appointments. Mailers can provide container barcodes as part of the stand-alone content creation, appointment creation, and update processes through *PostalOne!* FAST Web Services. Mailers can also receive closeout data through FAST online reports or *PostalOne!* FAST Web Services.

Additional Mailing Information Available with Full-Service

Mailpiece quality and visibility information is available through the online USPS Business Customer Gateway tool and through *PostalOne!* Web Services (Mail.XML). Mailers can query the information or obtain an automated subscription. USPS, as part of the Full-Service program, is making the following information available: Container and tray induction and processing scans, IMb tracing bundle and piece scans; start-the-clock information; address correction data; and certain quality and documentation error reporting information. An IMb embeds the following data:

- *Barcode ID:* The barcode identifier is a 2-digit field used to specify the presort makeup.
- *Service Type Identifier:* Indicates class of mail and requested special services such as scan information or address correction.

- ***Mailer ID:*** Mandatory 6- or 9-digit identifier of mail owners and/or mailing agents, assigned by the Postal Service based upon mail volume of owner/agent.
- ***Serial Number:*** Complementary with Mailer ID for a combined total of 15 digits, leaves mailer/agent with 6 or 9 digits for unique mailpiece identifier. Mailpiece IDs must not be reused within 45 days of induction date.
- ***Delivery Point Routing Code:*** The None, 5-, 9- or 11-digit ZIP Code corresponding to the delivery address.

For accessing automation prices through Full-Service, information required in the Intelligent Mail barcode includes Service Type Identifier (showing class of mail), Mailer ID, delivery point routing code, OEL information (if printed on the mailpiece) and a unique serial number.

To view final specifications and for detailed information on how to generate the Intelligent Mail barcode, access the Intelligent Mail barcode [link](#) from [RIBBS http://ribbs.usps.gov](http://ribbs.usps.gov).

Intelligent Mail Tray Barcode for Trays and Sacks

Starting in January 2014, Full Service automation discounts require pure 24-digit Intelligent Mail Tray barcodes (IMtb). An IMtb contains the following information:

- ***ZIP Code™:*** a 5 digit ZIP Code used to identify the destination of the tray or sack.
- ***Content Identifier Number (CIN):*** Describes tray or sack content, including presort level and class.

- *Content Label Source (L SRC)*: Designates whether tray or sack contents are automation compatible.
- *Mailer ID*: A 6-digit or 9-digit Mailer ID assigned by the Postal Service for use in the Intelligent Mail barcodes.
- *Serial Number*: A mailer will use this field to uniquely identify individual trays or sacks. If a 6-digit Mailer ID is assigned, the mailer will have 8 digits to uniquely identify the handling units. If a 9-digit Mailer ID is assigned, the mailer will have 5 digits to identify the handling units. To participate in the Full Service option, the Serial Number field is populated with a unique number for each handling unit (tray or sack) in the mailing. These unique mailpiece IDs must be maintained unique for 45 days from the date of induction.
- *Label Type*: Indicates Mailer ID field length.

To access automation prices through the Full Service option, mailers will be required to populate all fields in the Intelligent Mail tray barcode to include a unique serial number.

To view the final specifications and for detailed information on how to generate the Intelligent Mail tray barcode, access the Intelligent Mail tray label [link](http://ribbs.usps.gov/) from <http://ribbs.usps.gov/>

Intelligent Mail Container Barcode for Pallets, APCs, Rolling Stock

Mailers typically label containers of mail deposited with the Postal Service. For Full Service, mailers must apply a unique Intelligent Mail container barcode (IMcb) to container labels and keep the barcode unique for at least 45 days from

the date of induction. This IMcb includes fields to identify the mailer and uniquely identify each container. To comply with the Full Service option standards, mailers must apply a label to all containers such as pallets, APCs, rolling stock, and gaylords.

The Intelligent Mail container barcode has two formats. The format a mailer uses depends upon the Mailer ID assigned by the Postal Service. The IMcb label specifications are available in two physical sizes for the IMcb barcode labels: one is the 8" min x 11" format available at RIBBS, and the other one is the 4"x7" self adhesive format, also available at RIBBS.

- *Application ID (Appl ID):* "99" indicates the source of the barcode.
- *Type Indicator:* "M" indicates a mailer-generated barcode.
- *Mailer ID:* A 6-digit or 9-digit Mailer ID assigned by the Postal Service for use in the Intelligent Mail barcodes.
- *Serial Number:* A mailer will use this field to uniquely identify individual containers. If a 6-digit Mailer ID is assigned, the mailer will have 12-digits to uniquely identify the containers. If a 9-digit MID is assigned, the mailer will have 9 digits to identify the containers. To participate in the Full Service option, the serial number field is populated with a unique number for each container in the mailing. These unique mailpiece IDs must not be reused for 45 days from the date of induction. To access the automation prices through the Full Service option, mailers will be required to populate all fields in the Intelligent Mail container barcode to include a unique serial number. To view the final specifications and for detailed information on

how to generate the Intelligent Mail container barcode, access the Intelligent Mail Container barcode [link](http://ribbs.usps.gov) from RIBBS <http://ribbs.usps.gov>.

Electronic Documentation

To participate in Full Service, mailers must submit their postage statements and mailing documentation, when applicable, electronically using one of three methods: Mail.dat®, Mail.XML®, or Postal Wizard® to transmit electronic information. These data are transmitted to the Postal Service's *PostalOne!* system, where they are used for verification, acceptance, payment, service performance measurement, and induction planning and processing. The *PostalOne!* system can also use this information to automate payment processes using ACH Debit or Credit payment methods. With the *PostalOne!* system, mailers have access to their mailing documentation and financial transaction information 24 hours a day, seven days a week.

Mail.dat: Mail.dat file submission is part of the overall *PostalOne!* application and provides customers the capability to submit mailing documentation over a secure connection. Mail.dat uses industry-standard electronic file formats to facilitate communication. Mailing information is used to generate documentation to support verification, payment, and induction processes. Mail.dat specifications are available at <http://ribbs.usps.gov>.

Mail.XML: The Mail.XML is an overarching communication specification that allows mailers to communicate electronic documentation and manage appointments with the Postal Service, while enabling it to provide quality, address correction, induction, and visibility information back to mailers. Mail.XML

can also be used to communicate between mailers and consolidators/transporters. Mail.XML is part of the overall *PostalOne!* application that enables a just-in-time connection (send information when you are ready to share). The Mail.XML Web Service uses a Simple Object Access Protocol (SOAP) to submit information in an Extensible Markup Language (XML) format that ensures data are sent and received by applications written in various languages and deployed on various platforms. Mailing information is sent via Mail.XML to the *PostalOne!* system where the information is stored and used to generate documentation to support verification and payment. Mail.XML specifications are available at the following link: <http://ribbs.usps.gov>.

Postal Wizard: The Postage Statement Wizard is an online tool that allows mailers to enter their postage statement information using a secure *PostalOne!* account. The Postage Statement Wizard verifies completed information for an online postage statement and automatically populates the Permit Holder section of the postage statement based on the account number provided. It guides the user through items needed to complete the statement. The Postal Wizard automatically calculates postage and validates information entered. Once a postage statement is completed online, electronic statements will be submitted directly to the acceptance unit.

For detailed information about electronic mailing information options,
access the following RIBBS [link](http://ribbs.usps.gov) *http://ribbs.usps.gov*.

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